

involving the Carolinas Medical Center and the Pitt County Memorial Hospital. Other networks are structured without a central large hospital(s), the Central Carolinas Rural Health Alliance is an example of this arrangement.

The linking of larger to smaller hospitals has occurred in several places across the State. Three Rural Hospital Alliances were set up with the help of the Office of Rural Health and Resource Development under the federal Essential Access Community Hospital-Rural Primary Care Hospital (EACH-RPCH) program initiative. Other urban-rural links include the Montgomery County Hospital structured agreement with Moore Regional Medical Center and the UNC Hospitals system link with Chatham Hospital. Other larger regional referral centers have working agreements and contracts with most of the smaller hospitals in the State. Two Asheville hospitals, Memorial Mission and St. Joseph's, are the only applicants for the State-sanctioned Certificate of Public Advantage which theoretically immunizes participants from anti-trust sanctions for joint activities. Ten hospitals have formed a statewide alliance, the NC Health Care Network, that would allow them to bid for contracts with firms and government agencies which employ people throughout NC.

Several reasons have led to the formation of these network structures including the need to create "right-sized" organizations which can offer managed care options across larger populations. A pressing financial impetus is the need to maintain or increase market shares. Smaller hospitals need to link with larger hospitals to assure access to tertiary services and professional support.

There are moves to form linkages between insurance companies and hospital networks. These include partnerships between Duke and Sanus (Metropolitan Life), UNC Hospitals and Kaiser and Healthsource, Partners and Forsyth Hospital (Carolina Medicorp) and Presbyterian Hospital and Kaiser. The most developed alliance is the alliance between Duke Hospital and its physician network and Sanus in conjunction with the Wellpath HMO.

There are also what might be called cooperative-competitive arrangements. North Carolina Baptist and Forsyth, for example, collaborate over obstetrical services; UNC and Duke are discussing shared pediatric responsibilities; and Pitt County and Craven Regional cooperate in cardiovascular treatment. The Memorial Mission and St. Joseph's partnership is intended to reallocate services and resources that were previously competed for between the hospitals.

North Carolina has slightly fewer beds per thousand than the national average (3.4 versus 3.5 in 1992) and approximately the same hospitalization rate as the nation (126.5/1000 versus 125.3/1000 in 1992) but a significantly longer average length of stay, 7 days versus 6.3 for the nation. Hospitals in the state are working to reduce the average length of stay to control costs. In one urban community, for example, an examination of patterns of care and hospitalization found that longer lengths of stay were due to the lack of capacity in local home health and long-term care facilities, the admission of patients for